

Impact of Federal Funding - Utah Appropriations Summary

Transportation Interim Committee
June 16, 2021

Federal Funding

- The federal government passed the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 which appropriated \$10.0 billion for Highway Infrastructure Programs. Utah's portion of this funding is:
 - \$70,056,208: Department of Transportation (UDOT)
 - \$16,076,010: urbanized areas
 - \$8,008,199: Salt Lake City -- West Valley City
 - \$4,281,728: Ogden – Layton
 - \$3,786,083: Provo – Orem

Urbanized area funding for Salt Lake City -- West Valley City and Ogden -- Layton will be used in cooperation with the Wasatch Front Regional Council (WFRC) and for Provo -- Orem will be used in cooperation with the Mountainland Association of Governments (MAG).

Appropriations and Spenddown

UDOT - \$70.1m

Appropriated

FY 2021: \$0

FY 2022: \$15.0 million
[S.B. 1001](#), #49, 2021 SS1

Planned Spenddown

FY 2023: \$7.0 million

FY 2024: \$30.0 million

FY 2025: \$18,056,208

WFRC - \$12.3m

Appropriated

FY 2021: \$1.0 million
[S.B. 1001](#), #5, 2021 SS1

FY 2022: \$8.0 million
[S.B. 1001](#), #50, 2021 SS1

Planned Spenddown

FY 2023: \$3,289,927

MAG - \$3.8m

Appropriated

FY 2021: \$0

FY 2022: \$1.0 million
[S.B. 1001](#), #50, 2021 SS1

Planned Spenddown

FY 2023: \$2.0 million

FY 2024: \$786,083

American Rescue Plan Act Allocations

- The federal government passed the American Rescue Plan Act of 2021 (ARPA) which distributed about \$1.65 billion (initial estimate) that the State may use at its discretion subject to guidance issued by the Department of Treasury. On May 17, 2021 the Executive Appropriations Committee approved the following [allocations](#) that may affect transportation-related budgets:

- \$630.0 million: Revenue Replacement, Unemployment Solvency, and Infrastructure

Difference between potential revenue pre-pandemic and actual revenue using historical growth rates on an FY 2019 base. States have broad discretion to use replaced revenue for things like high-cost infrastructure, transportation, recreational infrastructure, and state facilities. Also includes deposits to the Unemployment Insurance Trust Fund to minimize employer rate increases.

- \$175.0 million: Networking and Broadband

State government network improvement, data center enhancement, UDOT fiber projects, public hotspots, and last-mile broadband grants.

Inflationary Pressure

- When appropriating ARPA funding the Legislature may want to consider what inflationary pressures might result due to increased expenditures in labor and input markets.

Can ARPA Funding Supplant Bonding?

- The Legislature authorized use of up to \$232.0 million in bond proceeds to double track strategic sections of the FrontRunner commuter rail system. ([63B-31-101](#)(4)(a))
- Reiterating from the LRGC presentation: “A transportation infrastructure project may be an eligible use if the project responds to a specific pandemic-related public health need or a specific negative economic impact of the pandemic”